Air Pollution Control
Title V Permit to Operate
Statement of Basis for Modified Permit No. R10T5-WA-03-01M1

May 23, 2005

Colville Tribal Enterprise Corporation
dba Colville Indian Power & Veneer
Colville Reservation
Omak, Washington

1. Purpose of This Statement of Basis

Pursuant to the requirements of 40 CFR 71.11(b), this statement of basis serves to describe the bases for the changes to permit conditions from the prior Title V permit to operate issued on June 10, 2003. This permit action was initiated in response to a request, received on September 7, 2004, from the applicant for a significant permit modification, pursuant to 40 CFR 71.7(e)(3). This statement of basis only addresses:

(1) permit conditions that were removed from the prior permit version,
(2) permit conditions that were added to the prior permit version,
(3) permit conditions from the prior version that were changed, and
(4) changes to permit conditions proposed by the applicant in the significant permit modification application that were not accepted as part of this permit action.

The legal and factual bases for the unchanged permit conditions remain as documented in the prior statement of basis issued on June 10, 2003, which is attached as Appendix A.

2. EPA Authority to Issue Part 71 Permits

On July 1, 1996 (and updated on February 19, 1999) EPA promulgated regulations codified at 40 CFR Part 71 setting forth the procedures and terms under which EPA would administer a federal operating permit program. As described in 40 CFR 71.4(b), EPA will implement a Part 71 program in areas where a Tribal agency has not developed an approved Part 70 program. The Confederated Tribes of the Colville Reservation (Colville Tribes) is a federally-recognized Indian Tribe, and the reservation is considered to be Indian Country, as defined in 40 CFR Part 71. The Colville Tribes do not have an approved Part 70 program.

3. Facility Information

3.1 Location

The Colville Indian Power & Veneer (CIPV) facility is located within the boundaries of the Colville Reservation in North-Central Washington. The facility is located at 1100 Eighth Avenue East in Omak, Washington.

3.2 Local Air Quality and Attainment Status.

North-Central Washington, including the Colville Reservation, is "unclassifiable" regarding attainment of the national ambient air quality standards for all criteria pollutants. An area is unclassifiable when there is insufficient monitoring data to determine attainment status.

3.3 General Description of Operations and Products

CIPV is an operating division of the Colville Tribal Enterprise Corporation, a business enterprise of the Colville Tribes. The facility manufactures green and dry veneer and softwood plywood, produces electricity and dries lumber that is brought to the plant. Byproducts include wood chips and lathed log cores. The raw materials for the plant include logs, hogged fuel and sawdust. The maximum annual plywood production is 360,000 thousand square feet (msf) of 3/8 inch plywood; however, actual production is expected to be closer to 220,000 msf. The facility's two steam driven turbines combined are capable of producing 12.5 megawatts of electricity. The facility is capable of drying approximately 6 million bf/yr of lumber in 2 dry kilns.

Logs (40% Ponderosa Pine and 60% Larch and Douglas Fir) are brought to the site by truck or train and are scaled, sorted and stored in the log yard. Some logs are sent to other facilities after sorting. The logs enter the process via the log deck, after which they are debarked by two debarkers and cut to length. Scrap ends, or lily pads, are sent to a grinder via conveyor and then conveyed via belt conveyor along with the bark to the hogged-fuel pile to be burned as fuel in two boilers. A number of logs, called blocks, are placed in the log steaming vats to be heated and softened by hot water before being sent to the lathe for peeling into thin sheets of green veneer.

The lathe cores (log centers that cannot be peeled) are sent to storage and sold as a byproduct. The veneer is trimmed and the waste is conveyed with any lathe waste to a chipper and on to the chip storage bin. Material in the chip storage bin is pneumatically conveyed to railcars for shipping as a byproduct. Green veneer is dried in two steam heated dryers and then either shipped as product or glued into layers by the curtain coater which uses phenol-formaldehyde resin. The glued panels are pressed together in two steam heated presses to make rough plywood which is shipped as product. The plywood panels may optionally be cut to size and sanded prior to shipping.

Trucks deliver hogged fuel and sawdust to the plant which is added to the hogged fuel produced on site. The hogged fuel-sawdust mixture is fed to two hogged-fuel fired, Riley-Stoker brand boilers which produce steam to heat the steaming vats, lumber kilns, veneer dryers and presses and to produce electricity in two turbines. The boilers, rated at 150 MMBtu/hr heat input each (130,000 lb/hr steam produced each), do not have any back-up fuel (e.g. gas or oil) capability. Each boiler has a multiclone and wet scrubber for particulate emission control and vent through individual stacks. The plant has one 240 hp diesel-fueled water pump for fighting fires which is only used when needed or being test-run. Other sources of fugitive air emissions include paved and unpaved road traffic, log yard activities, material storage piles and miscellaneous material handling, welding, painting and cleaning activities. There are seven cyclones used for pneumatically handling chips and hogged fuel throughout the plant.

Until the year 2000, the plant also produced green and dry lumber. The plant used steam-heated kilns to dry the green lumber and three direct-fired (sawdust fueled) dryers to dry veneer. The sawmill, kilns (all but two), direct-heated dryers (one still exists but is not operated), a third debarker, plywood finishing saws and sanders and related equipment have been permanently shut down and are not addressed in this permit. Restarting the shutdown emission units and equipment would be subject to review under the Prevention of Significant Deterioration (PSD) program if such restart would increase emissions by the significant thresholds.

The two indirectly-heated veneer dryers were installed in early 2003. The exhaust from these two dryers are ducted together and then sent to the boilers, where they are combusted in the boilers. The boilers serve as control equipment for the dryers. Veneer exhausts can be routed to either one or to both of the boilers.

3.4 Emission Units and Emission Generating Activities

Table 3-1 lists the emission units at the facility (additional details are available in the original statement of basis - Appendix A) that are directly impacted by this significant permit modification. In addition to these, the facility includes material handling activities, cyclones on the pneumatic material handling system, a diesel-fired fire-water pump, log debarkers, plywood presses, a veneer trimmer and chipper, log steaming vats, lumber drying kilns, material storage piles, logyard fugitives, fugitives from vehicle traffic, and miscellaneous support activities.

Table 3-1
List of Emission Units (EU) Affected by Significant Modification Application

EU ID #	Emission Unit Description
RSB-1	Wood waste fired boiler #1; Stoker-Riley brand; installed 10/1/74; 150,000 MMBtu/hr input & 130,000 pph steam output capacity; powers turbine #1
RSB-2	Wood waste fired boiler #1; Stoker-Riley brand; installed 6/1/75; 150,000 MMBtu/hr input & 130,000 pph steam output capacity; powers turbine #2
VD-1	Veneer dryer #1; indirect steam heat from boilers; 16,320 (3/8") sf/hr capacity; installed in 2003
VD-2	Veneer dryer #2; indirect steam heat from boilers; 16,320 (3/8") sf/hr capacity; installed in 2003

3.5 Permitting and Compliance History

This facility was originally built in the mid-1970s. Prior to 1996, Omak Wood Products owned the facility. In 1996, they added a third dryer to the facility. At that time, the dryers were all direct-fired using sawdust burners. EPA determined in 1997 that the addition of the third dryer constituted a major modification to a major facility and which requires a Prevention of Significant Deterioration (PSD) permit. Omak had not obtained a PSD permit prior to construction, which was a violation of the Clean Air Act. The violation resulted in a Consent

Order which required Omak to install Best Available Control Technology (BACT) for the three dryers. Omak filed for bankruptcy in March, 1997 and in July 1998, sold the facility to Quality Veneer and Lumber (QVL) doing business as Washington Veneer. QVL chose to vent the dryer emissions to the boilers' combustion chambers to meet the BACT requirement in the Consent Order. The new control system was installed and tested by late summer 1999. As required, QVL submitted a Title V operating permit application to EPA in August, 1999. Supplemental operating permit application information was submitted by QVL in January, 2000.

In July, 2000, QVL closed the facility, filing for bankruptcy in October, 2000. CTEC, doing business as CIPV, purchased the facility in December, 2001, and began to operate the power generation equipment in April, 2002. On August 26, 2002, CTEC requested guidance from EPA regarding the installation of two new indirectly-heated dryers that would replace the three direct-fired dryers. On November 25, 2002, CTEC requested emission limits which would allow the new dryers to avoid permitting under the PSD program and submitted an updated Title V operating permit application. Additional information was submitted between January and April, 2003. EPA issued a Title V permit to CIPV on June 10, 2003. In addition to containing all applicable requirements and other terms and conditions required by 40 CFR Part 71, the CIPV permit contained terms and conditions that limit CIPV's potential to emit particulate matter (PM and PM-10) and volatile organic compounds (VOC) from the dryers so that construction and installation of the two dryers would not trigger permitting under the PSD program.

CIPV restarted the veneer drying and plywood processes after issuance of the original Title V permit. On September 17, 2003, CIPV sustained a fire at the facility. In conducting a follow-up investigation, EPA observed and documented violations of the June 10, 2003 Title V permit. EPA issued a Notice of Noncompliance to CTEC (as owner and operator of CIPV) on December 30, 2003. On February 2, 2004, EPA received CIPV's annual compliance certification. The certification indicated that CIPV had not complied with several provisions of the Title V permit. During the week of March 1, 2004, EPA conducted an inspection. On April 2, 2004, EPA issued a second Notice of Noncompliance, for violations of the Title V permit observed and documented between December 30, 2003 and April 1, 2004. CIPV addressed both of these Notices by entering into an Administrative Order on Consent on September 8, 2004. As part of the Administrative Order, CIPV agreed to develop and implement an operation and maintenance plan, and submit a significant permit modification request.

CIPV has stated that they do not intend to operate certain parts of the facility (see Section 3.2 of the original Statement of Basis for more information). Restarting the shutdown emissions units and equipment would be subject to a PSD if such restart increased the emissions by the significant thresholds. CIPV can request an applicability determination by EPA before restarting any shutdown equipment.

There are no historical records in EPA's files regarding plant modifications prior to the modification in 1996. A source seeking a determination of non-applicability of PSD permitting requirements would need to provide EPA with detailed information regarding each change at the facility. For this reason, no enforcement or permit shield is implied or granted for past PSD compliance.

4 Scope of Significant Modification Application

The September 2, 2004 significant modification application (Appendix B), received by EPA on September 7, 2004, requested four typographical changes and 22 substantive changes to the existing permit to operate. The requested changes are summarized as follow:

Typographical Changes

1. Revise Condition III.A.1.a(1) to address daily emission rates instead of recalculating daily emission limits;
2. Revise Condition III.A.1.a(2) to address annual emission rates instead of recalculating annual emission limits;
3. Revise Condition III.A.3.g to correct to "monitored" and "recorded;" and
4. Revise Condition XII.I.1.b to identify the Tribe as Colville Confederated Tribes.

Removal of Daily Limits

5. Remove Condition III.A.1.a(1) as daily production limits are not necessary to maintain compliance with underlying regulatory requirements.

Use of Averaging Period

6. Revise Condition III.A.1.h to reflect use of an averaging period instead of an instantaneous reading for boiler exhaust oxygen content; and
7. Revise Condition III.A.1.i to reflect use of an averaging period instead of an instantaneous reading for boiler exhaust temperature.

Removal of One-Time Notification Requirement

8. Remove Condition III.A.4.a as the one-time obligation to notify EPA of the start-up of the veneer dryers has been met.

Removal of Monitoring of Control Equipment

9. Remove Condition III.A.1.j as monitoring operation of the wet scrubbers are not critical for control of gaseous emissions; and
10. Remove Condition III.A.3.e which requires monitoring of the pressure drop across the multiclones, as these requirements do not demonstrate compliance with any regulatory requirements or protect the region's air quality.

Provide Operational Flexibility

11. Revise Condition III.A.2.a(1) to allow dryer operation (and venting to the boiler not being tested) while one of the boilers is being tested on a boiler-only basis.

Remove Conditions Related to Monitoring and Recordkeeping

12. Remove Condition III.A.1.g as there appears to be no regulatory basis for an opacity standard;
13. Remove Condition III.A.2.d(2) as readings from the continuous opacity monitoring system (COMS) do not demonstrate compliance with any regulatory requirements or protect the region's air quality;
14. Remove Condition III.A.3.k as there appears to be no regulatory basis for opacity

monitoring or recordkeeping;

15. Remove requirements relating to veneer redry rate and wood specie from Condition III.A.2.d(4) as they do not demonstrate compliance with any regulatory requirements or protect the region's air quality;
16. Remove Condition III.A.3.h which requires recording the specie of wood being dried - because this requirement does not demonstrate compliance with any regulatory requirements or protect the region's air quality;
17. Remove Condition III.A.2.d(3), as monitoring of fuel properties during the source test does not demonstrate compliance with any regulatory requirements or protect the region's air quality;
18. Remove Condition III.A.3.f as monitoring of boiler steam production is not necessary;
19. Revise Condition V.A.1.b to address only the fuel sampling and analysis procedures during the operating scenarios and modes of operation during source testing events;

Provide Clarification

20. Clarify in Condition V.A.2 which of the tested sources (or both) are required to operate between 90% and 110% of capacity; and
21. For Condition VII.A.2.b(1), clarify the distinction between and applicability of regulations to hazardous air pollutants and toxic air pollutants.

Revise Conditions Regarding Boiler Operation

22. Condition III.A.1.d, requiring operation of the multiclones and wet scrubbers;
23. Condition III.A.3.b, which establishes the requirement to monitor and maintain records on the boiler exhaust stack oxygen concentration;
24. Condition III.A.3.c, requiring continuous monitoring of the boiler exhaust stack temperature;
25. Revise Condition III.A.3.d so that the requirement to monitor the pressure drop across the wet scrubbers only applies when the dryers are venting to the boilers. Additionally, CIPV proposes to reduce the frequency of recordkeeping to once every other hour;

Remove Throughput Limit

26. Remove Condition III.A.1.f as the source testing demonstrates compliance.

5 Review of Significant Permit Modification Application

5.1 Requested Typographical Changes

The four proposed typographical changes are purely typographical in nature and do not affect emissions or change regulatory applicability. Condition III.A.1.a(1) was removed from the permit as discussed in section 5.2, below. Condition III.A.1.a(2) was folded into Condition III.A.1.a and better describes how compliance with the emission limits shall be determined. Conditions III.A.3.g and XII.I.1.b were revised as requested.

5.2 Removal of Daily Limits

Emission limits for the new, steam-heated veneer dryers were included in the permit at CIPV's request to ensure that emission increases attributable to the project remained below the emission

thresholds that would have required review under the PSD program. As the applicant has noted, daily emission limits are not necessary, and monthly limits are adequate to ensure practical enforceability of the emission limits. Upon further review, it is felt that the rolling 12-month emission limit is adequate to ensure that dryer operations remain below PSD applicability levels.

Consequently, Table A and Condition III.A.1.a(1) have been revised to remove daily emission limits. The annual limits remain unchanged, and must be complied with on a rolling 12-month basis. Table A has also been revised to include the pollutant-specific emission factors that formed the basis of this review. To ensure that the facility enjoys operational flexibility while ensuring that PSD thresholds are not exceeded, the compliance determination method relies on use of the highest emission factor (on a pollutant-specific basis), from Table A or source tests, to calculate monthly and annual, 12-month rolling emissions.

However, this determination is based on the permittee adhering strictly to the required monitoring, recordkeeping and reporting requirements that demonstrate that these emission units (i.e. the dryers) and their controls (i.e. the boilers) are operated exactly as specified in this permit. Failure to comply with the requirements of Permit Condition III.A could result in the reopening of this permit to include provisions with shorter averaging periods.

5.3 Use of Averaging Period

Condition III.A.1.h and Condition III.A.1.i in the original permit limit an instantaneous reading to the lowest value of boiler exhaust oxygen content or temperature recorded during the most recent source test. The applicant has requested that for both of these parameters, compliance be determined based on a six-minute average rather than an instantaneous reading. The rationale for this request of these requirements is that either parameter could sustain very short-lived fluctuations that fall below the limits, but that the limited duration of the fluctuation would likely not affect emission rates.

In establishing this condition, the potential for short-term fluctuations was recognized. That is why the condition requires that the monitored parameter remain above the lowest instantaneous value that demonstrated compliance. However, the intent of this condition can be equivalently served by comparing ongoing six-minute average readings with six-minute averages measured during source tests. EPA was prepared to make this change, with an attendant change in recordkeeping to require recording of six-minute averages. However, when EPA enquired about the facility's ability to record six-minute average data, Geomatrix Consultants (CIPV's consultant) indicated that CIPV did not have monitoring equipment capable of recording six-minute average data. In a January 2005 phone call, Geomatrix Consultants withdrew the original request to replace instantaneous readings with six-minute average readings. As a result, this change has not been made in the revised permit.

The applicant has also requested that for both of these exhaust parameters, the threshold limit be based on the lowest temperature recorded during a source test where compliance was demonstrated. Since monthly emissions will be calculated using the highest factors, this request is acceptable provided that the data used be from tests where compliance is demonstrated for all runs and for all pollutants (i.e. PM, PM10 and VOC). Oxygen content and temperature data from

a test where only one or two of the pollutants of interest were tested may not be used to develop the lower limit. This revised approach provides for flexibility while ensuring that only appropriate test data is used to set the limit. Data can only be used for the emission unit (i.e. boiler) from which the data was collected during a source test. Condition III.A.1.h and Condition III.A.1.i have been revised to accommodate this request.

5.4 Removal of One-Time Notification Requirement

Condition III.A.4.a requires the permittee to notify EPA of the startup of each veneer dryer. Both dryers are now operational and the period for notification has passed. This condition can be considered obsolete, and can be removed from the permit. Although this condition has been removed, the original numbering system is left in place to minimize confusion in compliance activities. Instead, the term “reserved” has been used to reflect that the condition has been removed.

5.5 Removal of Monitoring of Control Equipment

In the existing permit, Condition III.A.1.j requires the permittee to ensure that the pressure drop across the wet scrubber shall not be less than the lowest pressure drop recorded during the most recent source test. In addition, Condition III.A.3.e requires monitoring of the pressure drop across the multiclones. CIPV claims that due to the gaseous nature of the veneer dryer exhaust, it is unlikely that burning it in the boilers’ combustion chambers generates large quantities of particulate matter. Furthermore, the applicant states that it is unlikely that the wet scrubbers are providing much, if any, control of the dryers’ emissions.

However, it is well documented that veneer dryer exhausts contain organic material that can condense to form particulate matter. EPA believes that the multiclones and wet scrubbers are contributing to control of uncombusted dryer exhaust emissions. Furthermore, a key component of CIPV’s compliance strategy, the source test, is conducted downstream of the multiclones and wet scrubbers, and while they are operating. The compliance tests rely on the operation of the multiclones and scrubbers to demonstrate compliance with the emission limits. Therefore, CIPV is required to document that the boiler, with multiclones and scrubbers are operated in the same manner in between source tests. These permit conditions were not removed from the permit. However, Condition III.A.1.j has been revised to be consistent with the format of Conditions III.A.1.h and i.

5.6 Provide Operational Flexibility

Condition III.A.2.a(1) contains the requirements for testing of each boiler while veneer dryers are not operating. The applicant has asked that the condition be revised to provide the same flexibility as in Conditions III.A.2.b(1) and III.A.2.c(1), where non-operation of the dryers is not required - instead the conditions require that the dryer exhaust be directed to the boiler that is not being tested at the time. This request can be accommodated without affecting the intent of this testing condition, and so the permit has been revised accordingly.

5.7 Remove Conditions Related to Monitoring and Recordkeeping

The applicant has requested removal of Condition III.A.1.g, Condition III.A.2.d(2) and

Condition III.A.3.k because CIPV asserts that there is no regulatory basis for an opacity standard. EPA disagrees that there is no regulatory basis for an opacity standard and related monitoring and recordkeeping requirements and that such requirements do not serve to protect the region's air quality. This Title V permit contains limits to ensure that installation of the new veneer dryers results in a PTE below the thresholds where the PSD program would apply. As noted earlier, emissions from veneer dryers often result in coalesced organic material that is visible.

Observation of visible emissions from the boiler stacks, while the dryers are vented to them, are an indication that dryer emissions are not adequately controlled. Although source testing provides a one-time snapshot of compliance with the emission limits at the time of the test, it is appropriate that the permit include monitoring of parameters, such as opacity, that ensures that, on an ongoing basis, the control equipment and emissions unit is operating in the same manner as it was operating during a complying source test. Monitoring of opacity is commonly included in permits as a means of ensuring that control equipment used to comply with PM and PM10 limits is being properly operated and maintained. Therefore, EPA continues to believe that the opacity conditions constitute appropriate monitoring for the emissions limit in the permit.

The applicant also requested revision of Condition III.A.2.d(4) and removal of Condition of III.A.3.h to remove the requirement to monitor veneer redry rate and wood specie being dried. The underlying technical analyses and operational/emission limits are based on assumptions regarding veneer dryer throughput. It is appropriate, therefore, to monitor dryer throughput. Although source testing provides a one-time snapshot of compliance with the emission limits at the time of the test, it is appropriate that the permit include monitoring of parameters, such as redry rate and wood specie being dried, that ensures that, on an ongoing basis, the source is being operated in the same manner as it was operating during a complying source test.

For the same reasons discussed above, the revisions proposed by the applicant regarding Condition III.A.2.d(3) (monitoring of fuel properties during the source test), Condition III.A.3.f (monitoring of boiler steam production) and Condition V.A.1.b (fuel sampling and analysis procedures during the operating scenarios and modes of operation during source testing events) are not incorporated into the revised permit.

5.8 Provide Clarification

The applicant has requested clarification of Condition V.A.2 to indicate which of the tested sources (veneer dryers or boilers) or both, are required to operate between 90% and 110% of capacity. This condition is a standard condition that applies to all emission units being tested. The underlying intent is to ensure that test conditions are in fact representative of the emission unit's maximum emission rate. In this case, the primary interest is to characterize emissions from the veneer dryers, to ensure that maximum emissions from these emission units remain below the PSD applicability thresholds.

In this case, as allowed by the permit condition in question, EPA may determine that other operating conditions are representative of normal operations. EPA's determination on such operating conditions may readily be solicited by timely and complete submittal of a detailed, test

protocol that clearly identifies proposed operating conditions during the test.

For Condition VII.A.2.b(1), the applicant has requested clarification of the distinction between and applicability of regulations to hazardous air pollutants and toxic air pollutants. This is a standard condition in EPA's Part 71 permits and reflects almost verbatim, the language in 40 CFR 71.6(3)(iii)(B)(1). Hazardous air pollutants are those listed as hazardous air pollutants under Section 112 of the Clean Air Act. A parenthetical in the regulation, which is included in the permit, clarifies that the term "toxic air pollutant" refers to pollutants that are identified as toxic air pollutants in the underlying applicable regulation.

5.9 Revise Conditions Regarding Boiler Operation

The applicant has requested that Condition III.A.1.d (requiring operation of the multiclones and wet scrubbers during boiler operation), Condition III.A.3.b (requiring monitoring and recordkeeping of the boiler exhaust stack oxygen concentration during boiler operation), Condition III.A.3.c (requiring continuous monitoring of the boiler exhaust stack temperature) and Condition III.A.3.d (requiring monitoring of the pressure drop across the wet scrubbers during boiler operation) all be revised to require the monitoring and recordkeeping activity only when the dryers are venting to the boilers. Additionally, CIPV proposes to reduce the frequency of recordkeeping required in Condition III.A.3.d to once every other hour.

These conditions should only apply while the veneer dryers are vented to the boilers. However, it should be noted that with the operational flexibility inherent in this permit (for example, the dryers are capable of venting to either of the boilers, or to both boilers) additional monitoring and recordkeeping would be required to document which boiler was receiving veneer dryer exhaust at any given time. When apprised of the additional monitoring and recordkeeping requirements, Geomatrix Consultants (on behalf of CIPV), in a December 6, 2004 e-mail, retracted the request to revise these four conditions. However, the applicant was still interested in relaxing the recordkeeping in Condition III.A.3.d to once every other hour.

Relaxation of Condition III.A.3.d monitoring of the wet scrubber pressure drop will provide data that is not consistent with the time period (one-hour test runs) used to establish the limits. Therefore, this portion of the condition has not been revised.

5.10 Remove Throughput Limit

The applicant has requested removal of Condition III.A.1.f which limits the daily production rate of each veneer dryer based on the results of the most recent source test. The applicant believes that testing conducted to date, future testing and the ongoing parametric monitoring of boiler operations are adequate to demonstrate compliance with the emission limits. After consideration of the applicant's request, EPA continues to believe that some limit on production is an important part of ensuring that the dryer emissions remain below the limits established in Condition III.A.1.a of the permit. EPA has also determined, however, that the production limit can be revised to reflect the maximum individual capacity of each dryer as presented in the applicant's original Title V permit application. This revised limit, along with the revised source testing requirements discussed below and the other monitoring required by the permit, should provide the applicant with considerable more flexibility in operations and still provide a

reasonable assurance of compliance with the emission limits.

As discussed in the Section 5.1.5 of the Statement of Basis for the applicant's initial Title V permit, the applicant's Title V permit contains emission limits on the dryers that were installed in 2003 in order to avoid PSD permitting requirements that would otherwise apply to the dryers. In requesting and establishing these emission limits, both the applicant's emission inventory and EPA's PSD applicability analysis relied on veneer dryer emission factors from AP-42, and on an assumed control efficiency of 92.5%. These AP-42 emission factors are rated "D," a much lower rating than the best rating, "A." Because even the highest rated AP-42 emission factors are typically an average of measured data, and are not intended to represent the maximum potential to emit a pollutant from a source category, and because of the low rating of the emission factors used to establish the emission limits in this case, EPA included in the permit a compliance assurance regime that was based on source testing conducted at as high a production rate as possible. With compliance demonstrated at the maximum operating rate, EPA determined that ongoing monitoring and recordkeeping of parameters linked to operations during the source test would be adequate to reasonably assure ongoing compliance with the emission limits.

In establishing the production limit in the permit, EPA assumed that CIPV would have reached maximum operating capacity by the time it was required to conduct its initial performance tests (180 days after commencing operation of the new veneer dryers) so that the initial source tests could be conducted at maximum operating capacity. In practice, however, CIPV has been able to ramp up production of the veneer dryers at a much slower rate than originally expected.

According to discussions on February 9, 2005 with CIPV's consultant, the slow ramp up in production is attributable to several factors unique to the facility. At CIPV, the green veneer is unloaded and stacked by hand and transferred to the dryer area by forklift. At the dryers, the green veneer is loaded by a team of three workers per dryer. Because of the manual nature of the green veneer handling process at CIPV, it is highly dependent on staff experience and training and adversely impacted by employee turnover. Production has increased slowly over time as the staff has gained experience with equipment operation and as employee turnover has stabilized. The drying of "fishtails" (i.e., strips or pieces of veneer), part of normal operations at CIPV, also limits throughput due in part to the increased handling of the "fishtail" veneer. In short, the manual handling of the veneer appears to be the bottleneck in production, which is not expected to increase dramatically over time unless green veneer handling at CIPV is automated. CIPV has no plans, at this point, to automate its green veneer handling. Because the addition of an automated veneer handling system at CIPV could result in increased utilization of the dryers, such a change might well require review and permitting under the PSD program or under other regulatory requirements in place at the time of such change.

When Boiler 2 was tested in March 2004, CIPV was operating at only 34% of maximum production capacity. During the source test of Boiler 1 in May 2004, facility production of veneer was only 50% of maximum production capacity. As a result, the emission rates at maximum capacity have not yet been characterized, and so, the testing regime has been revised in this permit to provide for additional testing of both boilers. Testing is required in mid-2005, mid-2006 and in late 2007. EPA believes this testing frequency is adequate to quantify and confirm emission rates as production rates rise. Whenever tested, the dryers are to be operated at

the maximum operating rate of the dryers - this may be at a rate lower than the maximum capacity but should not be lower than achieved in practice.

The source tests conducted in 2004 indicate that introduction of the veneer dryer exhaust into the boilers resulted in a decrease in aggregate PM and PM10 emissions. This is probably due to the organic material in the veneer dryer exhaust enhancing complete combustion in the boilers' combustion zones. However, the additional tests, scheduled for the remainder of the permit term, will confirm how well this emission reduction is sustained at higher production rates.

The source test results also indicate that emissions of VOC rise as a result of introduction of the veneer dryer exhaust into the boilers. The emission rates measured thus far are well below the PSD significance thresholds. Even if the emission rates do rise considerably, the facility will be able to remain below the PSD significance thresholds by controlling annual production. Furthermore, the additional tests, scheduled for the remainder of the permit term, will yield new emission factors at the higher production rates.

In light of the available source test and production data indicating that CIPV has operated well in compliance with the emission limits, the fact that an increase in production is not likely to result in an increase in PM or PM-10 emissions, the fact that available information indicates that CIPV's manual handling of green veneer will not allow production to increase dramatically in a short period of time, and the fact that it will likely require a physical change at the facility to realize full dryer production rates, EPA believes that the limit on production throughput can be revised to provide CIPV more operating flexibility provided the source testing regime is enhanced to some extent, and emission estimation is conducted using the highest emission factor. As noted earlier, EPA is proposing to require that source tests be conducted on both veneer dryers and both boilers not later than June 30, 2005, and then again approximately one year later in 2006. The permit would continue to require source tests on both boilers and both dryers in the year before the permit expires and is due for renewal on June 10, 2008. EPA believes that requiring source tests in the next two years to generate additional facility-specific emission factors and to confirm the expected correlation between the production rate and emissions should, in conjunction with the other monitoring required in the permit, provide a reasonable assurance of compliance with the emission limits in Condition III.A.1.a of the permit.

Although EPA is revising the permit so that production is no longer limited to the dryer production rate measured during the most recent source test, EPA continues to believe that some limit on production is needed as part of the compliance assurance regime. In its original Title V permit application, CIPV stated that the capacity of each dryer was limited to each dryer's design rating - 16,320 square feet per hour, on a 3/8" basis. Because the PSD-avoidance limits in Condition III.A.1.a are based, in part, on this representation, EPA is including each dryer's design rating as a limit on the production capacity of the dryers.

6 Other Considerations in This Permit Modification

6.1 Removal and Correction of Redundant and Obsolete Permit Conditions

Upon review, it was noted that Condition III.A.1.k required the permittee to submit a permit application within 10 days after a source test. This condition was changed to require application

submittal within 45 days rather than 10 days, to allow the application to be submitted with the emission test results.

Further review also indicated that certain conditions in the permit served little purpose, and were redundant in that they would only apply if the facility needed to alter or modify this permit. Specifically, Conditions XII.B, C, D and E list the requirements should a permit amendment or modification be required. Rather than repeat the rule requirements in the permit, the conditions were abbreviated to refer to the appropriate rule citation.

In addition, Condition XII.I.1.a was updated to refer to page one of the permit to ascertain the permit expiration date.

6.2 Changes to Permitted Emissions

The changes requested by the applicant in this significant permit modification application address monitoring and recordkeeping functions, as well as the dryer production limit. The requested changes do not affect the facility's actual emissions or potential to emit either criteria or hazardous air pollutants. CIPV's PTE remains unchanged as a result of this permit action, and is presented below in Table 6.1.

Table 6.1
Facility Potential to Emit for PSD , Title V, and MACT in Tons Per Year

EU ID #	Air Pollutants N0x - oxides of nitrogen; VOC - volatile organic compounds; SO2 - sulfur dioxide; PM - particulate matter; PM10 - particulate matter with diameter 10 microns or less; CO - carbon monoxide; Pb - lead; HAP - hazardous air pollutants [see Clean Air Act, Section 112(b)]							
	NOx	**VOC**	**SO2**	**PM**	**PM10**	**CO**	**Pb**	**HAP**
RSB-1	145	11	16	38	55	393	<1	25
RSB-2	145	11	16	38	55	393	<1	25
CC-1				44	22			
CC-2				66	33			
CC-3				44	22			
CC-4				44	22			
CC-5				44	22			
CC-6				44	22			
CC-7				44	22			
DP	2	<1	<1	<1	<1	<1	<1	<1
PP-1		35		17	26			21
PP-2		11		5	8			6
VT		13						2
LV		2						2
VD-1		10		2	7	<1		<1
VD-2		10		2	7	<1		<1
DK		2		<1	<1			
TOTAL	291	105	33	429	322	787	<1	83

6.3 Fee Payments

CIPV is required to pay fees annually based on an emissions inventory of its actual emissions for the preceding calendar year (See permit terms IX and X). EPA has documented methods, techniques, and assumptions that EPA believes provide the most accurate basis for estimating emissions from the facility, including actual emissions for fee purposes - see original (June 10, 2003 Statement of Basis). These techniques in Section 4.2 of the original Statement of Basis should be used to calculate annual emissions for fee purposes, unless CIPV has other information showing why another technique more accurately represents its emissions.

CIPV's fees since issuance of the original Title V permit, i.e. for 2003 and for 2004, have been

paid for both years.

6.4 Compliance Assurance Monitoring Rule (CAM) - 40 CFR Part 64

CAM applies to emission units subject to an emission limit and with a pre-control potential to emit greater than the major source threshold defined in Part 71. However, only units with post control potential to emit greater than the major source thresholds must comply with CAM at initial permit issuance or during a significant permit modification. All other units that meet the CAM applicability criteria must be in compliance at permit renewal. Only the dryer emissions are limited and controlled; but the post-control emissions are not greater than the major source threshold. The dryers will be subject to CAM at permit renewal. None of the other emission units with post control potential to emit pollutants greater than the major source threshold are subject to an emission limit and they are therefore not subject to CAM at this time.

6.5 NESHAPs - 40 CFR Part 63

The National Emission Standards for Hazardous Air Pollutants contained in 40 CFR Part 63 generally apply to HAP major sources. In essence, HAP major sources are facilities with a potential to emit a single HAP of at least 10 tpy or two or more HAPS s at least 25 tpy. In the original Title V permit review, it was determined that the PTE of this facility to emit HAPs is in excess of the 25 tpy threshold. As part of this review, the following potentially applicable NESHAPs have been identified. However, it should be noted that the facility bears the obligation to identify and comply with all applicable NESHAPs as they are promulgated.

Subpart DDDDD - National Emission Standards for Hazardous Air Pollutants (HAP) from Industrial, Commercial and Institutional Boilers and Process Heaters: This standard was published on September 13, 2004. The effective date for an existing boiler, as at CIPV, is September 13, 2007, although notice requirements may apply before then. Pursuant to 40 CFR 71.7(f), EPA intends to reopen this permit to incorporate the requirements of this subpart.

Subpart DDDD - National Emission Standards for Hazardous Air Pollutants (HAP) from Plywood and Composite Wood Products: This standard was published on July 30, 2004, and applies to the collection of dryers, refiners, blenders, formers, presses, board coolers and other units associated with the manufacturing of plywood and composite wood products. Based on the facility PTE for HAP emissions, the CIPV veneer and plywood operations will be subject to this rule. The compliance date for an existing source, as at CIPV, is October 1, 2007, although notice requirements do apply before then. Pursuant to 40 CFR 71.7(f), EPA intends to reopen this permit to incorporate the requirements of this subpart.

Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants (HAP) from Reciprocating Internal Combustion Engines: This standard was finalized on June 15, 2004. The rule applies to engines that are rated more than 500 brake horsepower. From the Title V application materials, the applicant has indicated that the facility only contains one internal combustion engine. The engine is used to power a fire-water pump, and is rated at 240 horsepower. Consequently, this rule does not apply to sources at CIPV.

6.6 Endangered Species Act (ESA) Impacts

Under Section 7 of the ESA, 16 U.S.C. § 1531 et seq., EPA is obligated to consider the impact that a project may have on listed species or critical habitats. As this significant permit modification application will result in no new construction and no new emissions, issuance of this Title V permit for CIPV, will not affect a listed specie or critical habitat. Therefore, no additional requirements will be added to this permit for ESA reasons.

7 Proposed Changes to Title V Permit

7.1 The following permit conditions have been added:

None.

7.2 The following permit conditions have been removed:

Condition III.A.1.a(1)
Condition III.A.4.a

7.3 The following permit conditions have been revised:

III.A.1.a
III.A.1.f, h, i , j and k
III.A.2.a(1)
III.A.2.b, c and e
III.A.3.g
XII.B, C, D, E and I.

8. Public Participation

8.1 Public Notice.

Pursuant to 40 CFR 71.7(e)(3)(ii), significant modifications must meet all requirements that apply to initial permit issuance, including those for public participation. And as described in 40 CFR 71.11(a)(5), all Part 71 draft operating permits shall be publicly noticed and made available for public comment. The public notice of permit actions and public comment period is described in 40 CFR 71.11(d). There is a 30 day public comment period for actions pertaining to a draft permit.

Public notice was given for this draft permit by mailing a copy of the notice to the permit applicant, the affected state, the Tribal, city and county executives, and the local emergency planning authorities which have jurisdiction over the area where the source is located. A copy of the notice has also been provided to all persons who submitted a written request to be included on the mailing list. Public notice was also published in a daily or weekly newspaper of general circulation in the area affected by this source.

8.2 Opportunity for Comment

As described in section 8.1 above, opportunity for comment was provided from April 20, 2005 to May 20, 2005. A copy of the draft permit prepared by EPA, this statement of basis, the

application, and all supporting materials submitted by the source were made available for public review at:

Colville Indian Library
Nespelem, WA 99155
(509) 634-4711 x2791

Omak Public Library
30 South Ash Street
Omak, WA 98841-0969
(509) 826-1820

Copies of the permit and statement of basis were also made available at no cost on EPA's web site [**www.epa.gov/r10earth/**]. All documents were also made available for review at the EPA Region 10 Office indicated below during regular business hours.

U.S. EPA, Region 10 (AWT-107)
1200 6th Avenue
Seattle, WA 98101

No comments were received during the 30-day opportunity for comment. As a result, no substantive changes were made to the draft permit in preparing for issuance of the final permit.

8.3 Mailing List

If you would like to be added to our mailing list to be informed of future actions on this or other Clean Air Act permits issued in Indian Country, please send your name and address to EPA at the address listed in section 8.2 above.

Appendix A - Original Statement of Basis, Issued June 10, 2003

Air Pollution Control
Title V Permit to Operate

Statement of Basis for Final Permit No. R10T5-WA-03-01
June 10, 2003

Colville Tribal Enterprise Corporation
dba Colville Indian Power & Veneer
Colville Reservation
Omak, Washington

1 EPA Authority to Issue Part 71 Permits

On July 1, 1996 (61 FR 34202), EPA adopted regulations codified at 40 CFR Part 71 setting forth the procedures and terms under which the Agency would administer a federal operating permit program. These regulations were updated on February 19, 1999 (64 FR 8247) to incorporate EPA's approach for issuing federal operating permits to covered stationary sources in Indian Country.

As described in 40 CFR 71.4(a), EPA will implement a Part 71 program in areas where a state, local, or Tribal agency has not developed an approved Part 70 program. Unlike states, Indian Tribes are not required to develop operating permit programs, though EPA encourages Tribes to do so. See, for example, Indian Tribes: Air Quality Planning and Management (63 FR 7253, February 12, 1998) (also known as the "Tribal Authority Rule"). Therefore, within Indian Country, EPA will administer and enforce a Part 71 federal operating permits program for stationary sources until Indian Tribes receive approval to administer their own operating permit programs.

2 The Confederated Tribes of the Reservation of Washington

2.1 Indian Country: The Confederated Tribes of the Colville Reservation (Colville Tribes) is a federally recognized Indian Tribe. The Colville Reservation is considered to be Indian Country, as defined in 40 CFR Part 71.

2.2 The Colville Reservation: On April 9, 1872, President Grant set apart lands in the Columbia Rivers Basin as a 2,100 square mile reservation for the Colville and neighboring Indian tribes not parties to any treaty. In July of the same year the area was redefined as lands between the Columbia and Okanogan Rivers bounded in the North by the Canadian border. A treaty on July 1, 1892 ceded the north half of the reservation to the United States, reducing the reservation to its current size of 1.4 million acres while retaining hunting and fishing rights for the area defined in July of 1872. Today there are 7 locations of community activities located within the boundaries of the reservation. Based on the 2000 U S Census data, the population is 7,587 on the reservation and trust lands. Tribal enrollment is 8,700.

2.3 Tribal Government: The Colville Tribes operate under a constitution approved on February 26, 1938. This constitution provides that a 14 member Colville Business

Council is the governing body.

2.4 Local Air Quality and Attainment Status: North-Central Washington, including the Colville Reservation, is "unclassifiable" regarding attainment of the national ambient air quality standard for all criteria pollutants. An area is unclassifiable when there is insufficient monitoring data to determine attainment status.

3 Facility Information

3.1 Location

The Colville Indian Power & Veneer (CIPV) facility is located within the boundaries of the Colville Reservation in North-Central Washington. The Colville Reservation is considered Indian Country, as defined by 40 CFR Part 71. The facility is located at 1100 Eighth Avenue East in Omak, Washington.

3.2 General Description of Operations and Products

CIPV is an operating division of the Colville Tribal Enterprise Corporation, a business enterprise of the Colville Tribes. The facility manufactures green and dry veneer and softwood plywood, produces electricity and dries lumber that is brought to the plant. Byproducts include wood chips and lathed log cores. The raw materials for the plant includes logs, hogged fuel and sawdust. The maximum annual plywood production is 360,000 thousand square feet (msf) of 3/8 inch plywood; however, actual production is expected to be closer to 220,000 msf. The facility's two steam driven turbines combined are capable of producing 12.5 megawatts of electricity. The facility is capable of drying approximately 6 million bf/yr of lumber in 2 dry kilns.

Logs (40% Ponderosa Pine and 60% Larch and Douglas Fir) are brought to the site by truck or train and are scaled, sorted and stored in the log yard. Some logs are sent to other facilities after sorting. The logs enter the process via the log deck, after which they are debarked by two debarkers and cut to length. Scrap ends, or lily pads, are sent to a grinder via conveyor and then conveyed via belt conveyor along with the bark to the hogged-fuel pile to be burned as fuel in two boilers. A number of logs, called blocks, are placed in the log steaming vats to be heated and softened by hot water before being sent to the lathe for peeling into thin sheets of green veneer.

The lathe cores (log centers that cannot be peeled) are sent to storage and sold as a byproduct. The veneer is trimmed and the waste is conveyed with any lathe waste to a chipper and on to the chip storage bin. Material in the chip storage bin is pneumatically conveyed to railcars for shipping as a byproduct. Green veneer is dried in two steam heated dryers and then either shipped as product or glued into layers by the curtain coater which uses phenol-formaldehyde resin. The glued panels are pressed together in two steam heated presses to make rough plywood which is shipped as product. The plywood panels may optionally be cut to size and sanded prior to shipping.

Trucks deliver hogged fuel and sawdust to the plant which is added to the hogged fuel produced on site. The hogged fuel-sawdust mixture is fed to two hogged-fuel fired, Riley-Stoker brand boilers which produce steam to heat the steaming vats, lumber kilns, veneer dryers and presses and to produce electricity in two turbines. The boilers, rated at 150 mmBTU/hr heat input each (130,000 lb/hr steam produced each), do not have any back-up fuel (e.g. gas or oil) capability. Each boiler has a multiclone and wet scrubber for particulate emission control and vent through individual stacks. The plant has one 240 hp diesel-fueled water pump for fighting fires which is only used when needed or being test-run. Other sources of fugitive air emissions include paved and unpaved road traffic, log yard activities, material storage piles and miscellaneous material handling, welding, painting and cleaning activities. There are seven cyclones used for pneumatically handling chips and hogged fuel throughout the plant.

Until the year 2000, the plant also produced green and dry lumber. The plant used steam-heated kilns to dry the green lumber and three direct-fired (sawdust fueled) dryers to dry veneer. The sawmill, kilns (all but two), direct-heated dryers (one still exists but is not operated), a third debarker, plywood finishing saws and sanders and related equipment have been permanently shut down and are not addressed in this permit. The two indirectly-heated veneer dryers were installed in early 2003.

3.3 Emission Units and Emission Generating Activities

Table 3-1 lists and describes the emission units and control devices (or techniques) at the facility. Those control devices that are required by rule or this permit are so noted. Part 71.5 (c)(11)(ii)(A) and (B) allow sources to separately list in the permit application such units or activities that qualify as "insignificant" (referred to as insignificant emission units) based on potential emissions below two tons/year for all regulated pollutants that are not listed as hazardous air pollutants ("HAP") under Section 112(b) and below 1000 lbs/year or the de minimus level established under Section 112(g), whichever is lower, for HAPs. However, the application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to calculate the permit fee. Units that qualify as insignificant emission units (IEUs) for the purpose of the Part 71 permit application are in no way exempt from applicable requirements or any requirements of the Part 71 permit. Table 3-2 lists the units identified by CIPV in their permit application as qualifying as IEUs for permit application purposes. CIPV later identified the lay-up line as an IEU based on the fact that the resin, containing VOC and HAP compounds, is exposed for only a very short time before entering the presses, where most of the volatile emissions and HAP are emitted and accounted for.

Table 3-1 Emission Units (EU) & Control Devices

EU ID #	Emission Unit Description	Control Device*
RSB-1	Wood waste fired boiler #1; Stoker-Riley brand; installed 10/1/74; 150,000 mmBtu/hr input & 130,000 pph steam output capacity; powers turbine #1	Boiler multiclone & wet scrubber #1; installed 10/1/74; Bumsted-Wolferd brand (required)
RSB-2	Wood waste fired boiler #1; Stoker-Riley brand; installed 6/1/75; 150,000 mmBtu/hr input & 130,000 pph steam output capacity; powers turbine #2	Boiler multiclone & wet scrubber #2; installed 6/1/75; Bumsted-Wolferd brand (required)
CC-1	Cyclone #1 on pneumatic material handling system: chip bin to fuel pile - wood chips & hogged fuel	none
CC-2	Cyclone #2 on pneumatic material handling system: fuel pile to powerhouse - hogged fuel	none
CC-3	Cyclone #3 on pneumatic material handling system: plywood plant to fuel pile - hogged fuel	none
CC-4	Cyclone #4 on pneumatic material handling system: stud mill to powerhouse - hogged fuel	none
CC-5	Cyclone #5 on pneumatic material handling system: fuel pile to powerhouse - hogged fuel	none
CC-6	Cyclone #6 on pneumatic material handling system: chipper to truck bin - wood chips	none
CC-7	Cyclone #7 on pneumatic material handling system: plant to truck bin - sawdust	none
DP	Diesel-fueled fire-water pump; 240 hp	none
MH	Material handling activities (fugitives): hogged fuel conveyor; hogged fuel delivery; sawdust delivery; railcar loading (chips); boiler ash	none
DB	Log debarkers #1 and 2 (fugitives); Salem & Soderham brands; installed in 1971 and 1975	none
PP-1	Plywood presses #1; phenol formaldehyde resin; steam-heated; installed in 1971	none
PP-2	Plywood presses #2; phenol formaldehyde resin; steam heated; installed in 1971	none
VT	Veneer trimmer & trim chipper	none
LV	Log steaming vats #1 through 11, steam heated	none

EU ID #	Emission Unit Description	Control Device*
VD-1	Veneer dryer #1; indirect steam heat from boilers; 16,320 (3/8") sf/hr capacity; installed in 2003	Boilers #1 and #2 & multiclones & wet scrubbers #1 & #2 (required)
VD-2	Veneer dryer #2; indirect steam heat from boilers; 16,320 (3/8") sf/hr capacity; installed in 2003	Boilers #1 and #2 & multiclones & wet scrubbers #1 & #2 (required)
DK	Lumber drying kilns #1 and 2; steam heated; 3 million board-feet per year capacity each	none
MP	Material storage piles (fugitives); hogged fuel and sawdust pile	none
LY	Log yard wind blown dust (fugitives)	watering
PR	Paved plant roads (fugitives)	watering
UR	Unpaved plant roads (fugitives); includes log yard traffic	watering

* Control devices column includes all techniques used to control air pollution - required techniques or devices are noted.

Table 3-2 Insignificant Emission Units (IEU)

EU ID #	Emission Unit Description
IEU-1	100 Gallons safety-Kleen 105 solvent SK Part # 6614 (used in truck shop)
IEU-2	10 Comfort air conditioners
IEU-3	115 Gallons paints, spray paint & regular latex paint
IEU-4	4.5 tons/yr welding rods
IEU-5	Plywood lay-up line prior to pressing using phenol-formaldehyde resin via curtain coater

3.4 Permitting and/or Construction History

This facility was originally built in the mid-1970s. Prior to 1996, Omak Wood Products owned the facility. In 1996, they added a third dryer to the facility. At that time, the dryers were all direct-fired using sawdust burners. EPA determined in 1997 that the addition of the third dryer constituted a major modification to a major facility which requires a Prevention of Significant Deterioration (PSD) permit. Omak had not obtained a PSD permit prior to construction, which was a violation of the Clean Air Act. The violation resulted in a Consent Order which required Omak to install Best Available Control Technology (BACT) for the three dryers. Omak filed for bankruptcy in March, 1997 and sold the facility to Quality Veneer and Lumber (QVL) doing business as Washington Veneer in July, 1998. QVL chose to vent the dryer emissions to the boilers' combustion chambers to meet the BACT requirement in the Consent Order. The new

control system was installed and tested by late summer, 1999. As required, QVL submitted a Title V operating permit application to EPA in August, 1999. Supplemental operating permit application information was submitted by QVL in January, 2000.

In July, 2000, QVL closed the facility, filing for bankruptcy in October, 2000. CTEC, doing business as CIPV, purchased the facility in December, 2001, and began to operate the power generation equipment in April, 2002. On August 26, 2002, CTEC requested guidance from EPA regarding the installation of two new indirectly-heated dryers that would replace the three direct-fired dryers. On November 25, 2002, CTEC requested emission limits which would allow the new dryers to avoid the PSD program and submitted an updated Title V operating permit application. Additional information was submitted between January and April, 2003. The owner-requested limits necessary to avoid PSD will be established in this operating permit and will allow CIPV to begin construction of the new dryers on the effective date of this permit.

CIPV plans to restart the veneer drying and plywood processes after issuance of this permit. CIPV has stated that they do not intend to operate certain parts of the facility (see Section 3.2 for more information). Restarting the shutdown emissions units and equipment would be subject to a PSD if such restart increased the emissions by the significant thresholds. CIPV can request an applicability determination by EPA before restarting any shutdown equipment.

There are no historical records in EPA's files regarding plant modifications prior to the modification in 1996. A source seeking a determination of non-applicability of PSD permitting requirements would need to provide EPA with detailed information regarding each change at the facility. For this reason, no enforcement or permit shield is implied or granted for past PSD compliance.

4 Emission Inventories and Fee Payment

4.1 Emission Inventory Basics

Emission inventories serve several important functions in connection with issuance of Title V permits, including determining the applicability of regulatory requirements and calculating fees. This section explains the role of emission inventories in issuing Title V permits and how emission inventories are developed.

An emission inventory is an accounting of the air pollution emitted by a source, and can be presented as either the "actual" or "potential" emissions from the source. Actual emissions are generally based on actual operation and controls and represent a specific period of time. Potential emissions, referred to as potential to emit (PTE), generally represent the maximum capacity of a source to emit a pollutant under its physical and operational design, taking into consideration regulatory restrictions and required control devices. Regulatory programs often dictate which type of inventory is used for applicability and fee purposes, specifying which time periods, pollutants and operations must be considered.

Emissions caused by industrial facilities can be broken into two categories: point and fugitive. Fugitive emissions are those which could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening. Point sources of emissions include any emissions that are not fugitive. Examples of fugitive emissions are roads, piles that are not normally enclosed, wind blown dust from open areas, and those operations that are normally performed outside buildings.

Title V requires all major sources of air pollution, and some minor sources, to get operating permits. Whether a source is major for Title V is based on the PTE of the source. Only point source emissions (not fugitive) are included in the PTE under the Title V program unless the source belongs to a particular category of sources and except in the case of hazardous air pollutants (HAPs) (see "major source" in 40CFR70.2). See Section 4.3 for a discussion of CIPV's PTE . Title V requires sources to submit fees with their initial Title V application and annually thereafter. The amount of the fee is based on actual emissions and includes consideration of point and fugitive emissions. See Section 4.4 for a discussion of fee payments.

EPA's Prevention of Significant Deterioration (PSD) program is a pre-construction permitting program. PTE is also used to determine the applicability of the PSD program and fugitive emissions are including in determining the PTE of a source only for certain types of sources (same categories as Title V). See Sections 3.4 and 5.1.4 for additional discussion of the PSD program as it relates to CIPV.

Under Section 112 of the Act, EPA has promulgated Maximum Achievable Control Technology (MACT) regulations that establish a number of requirements for certain types of industrial sources that emit HAPs. PTE is also used to determine the applicability of MACT standards to a facility, but under Section 112, PTE includes only HAPs and counts all fugitive emissions. For more information on the MACT standards which may apply to CIPV, see section 5.1. The applicability of other requirements to a facility may also depend on the facility's actual emissions or PTE.

Emission estimates in emission inventories rely on information gained about the emission unit in question, or about other similar emission units, through emission testing or monitoring. There are various way to gather the information needed to develop emission factors. The more similar the tested or monitored source is to the one in question (actual tests or monitoring on the source itself is obviously the best information one can obtain), the more accurate the information is for estimating emissions. In order of preference, starting with the best, the following types of information is used to develop "emission factors" which predict the amount of pollution that may be caused by a given amount of operation (e.g. production, firing rate, operating time) and are often presented in terms of mass of emission per unit production, operation or time (e.g. lb per mlb steam produced, lb per msf of panel produced, lb per ton of material handled, and etc): continuous emission monitoring data; emission tests; mass balances; factors developed for similar sources; general emission factors; and engineering judgement. Emission factors have been published by EPA, and a number of other organizations, and are generally meant to be industry averages. Site-specific testing and development of emission factors is

particularly important when emission control devices are utilized. Future testing at CIPV will provide information to develop site-specific emissions factors which will replace some "average" values currently used the emission inventory.

In any event, emission factors can only estimate emissions. For applicability and compliance purposes, it is the responsibility of the source to accurately characterize and estimate their emissions and appropriately select and use emission factors. Inaccurate characterization or estimation of the source's emissions could result in an enforcement action.

Air pollutants must be carefully defined in emission inventories, because the testing that is used as a basis for a particular emission factor may not have distinguished various forms of pollutants and chemicals. For instance, fine particulate matter, (PM10 - particulate that is 10 microns or less in aerodynamic size), is not always a subset of particulate matter (PM - generally includes particulate in the 35 to 70 micron size range), because PM10 and PM are measured using different techniques. The measurement (test method) of PM10 includes condensible particulate matter (those particulates which are often gaseous in stacks but condense and react to become particulate matter which is measured in ambient air monitors some distance away from the stack and source), while the measurement of PM does not. In some cases, PM10 is a fraction of the PM, while in other cases, the PM10 emissions may be greater than the PM emissions. While the measurement techniques for lead can vary as well, the accounting of lead is complicated by the fact that it is both a "criteria pollutant" and a HAP. Some, but not all, VOC are also HAP, but not all volatile HAP are counted as VOC, due to their limited reactivity in the atmosphere. Likewise, many HAP are in the form of particulate and counted as such in a PM or PM10 measurement. Therefore, while it is important to estimate all of the pollutants as accurately as possible, individual emission estimates, particularly for PM, PM10, HAP, lead and VOC, should be understood and carefully reviewed to avoid double counting the emissions for fee purposes. For fee payment, EPA does not require PM to be summed, thus avoiding some of the potential double counting.

4.2 Emission Inventory Techniques for CIPV

Emission inventories of actual and PTE emissions were submitted with the original Title V permit application for this facility (the first one was submitted by QVL prior to the change of ownership). The permittee also supplemented and revised the emission inventory in several subsequent submittals to reflect planned operations and to respond to EPA's initial feedback. An actual emission inventory was also submitted to support CIPV's annual fee payment in November, 2002. EPA reviewed CIPV's source lists and emission inventory in connection with drafting the permit. In some instances, EPA revised the emission estimates provided by CIPV in their application and subsequent submittals to more accurately reflect the emissions from the facility. This section describes emission estimating techniques for the CIPV facility relied on by EPA in preparing the draft permit.

It is EPA's expectation that CIPV will use the emission estimating techniques set forth in

this section unless CIPV has other information showing why another technique more accurately represents its emissions. It is important to emphasize that to the extent CIPV relies on any type of emission control technique (e.g. road watering or sweeping, pile enclosures, etc) to estimate emissions used to determine annual fees or the applicability of a regulatory program, use of the technique must be fully documented and verifiable. Note that the veneer dryer and some boiler emission factors will be revised after emission testing is performed as required in this permit.

Equation 4-1 represents the basic technique for estimating emissions (in tons per year) from all emission units at the facility. The equation relies on an emission factor and an operational parameter that is multiplied by the emission factor. The emission factors to use in the equations are presented for each pollutant emitted and each emission unit in Table 4-1. HAP emission factors are presented as a sum of all HAPs emitted (or known to be emitted) from each emissions unit. Individual HAP emission factors are listed in Table 4-2. The appropriate operational parameter, that pairs with the emission factors in Table 4-1 for each pollutant and emission unit is presented in Table 4-3. Note that the techniques presented are generally appropriate for estimating actual as well as potential emissions; however, actual emissions must reflect actual operational data while potential emissions must reflect the maximum operations or capacity of the emission unit.[1]

$$E = EF \times OP \times K \qquad \text{(Eq. 4-1)}$$

Where:

E = pollutant emissions in tons/year
EF = emission factor (Table 4-1 and Table 4-2)
OP = recorded actual annual operational parameter (Table 4-3)
K = 1 ton/2000 lbs for conversion from pounds per year to tons per year

The emission factors for material handling (MH), roads (PR and UR) and material piles (MP) must be calculated using site-specific information. See the reference documents for those estimation techniques (cited in Table 4-1) for a more complete description. For those estimation techniques that require substantial site-specific parameter tracking, such as piles and roads, emissions associated with a defined operational rate (amount of logs processed or plywood produced in a year) can be estimated to establish a set ratio that can be used to multiply by the actual operational rate in future years, significantly simplifying the annual inventory effort. All of the techniques and site-specific parameters and assumptions should be reviewed each year before estimating emissions to be sure they remain appropriate.

Table 4-1 Emission Factors (EF) for Use in Emission Inventories

[1]As discussed above, actual emissions form the basis for calculating fees initially and annually while potential emissions are generally used to determine the applicability of air pollution control requirements and programs.

EU ID #	Pollutant	EF	Units	Reference (Source of Emission Factor)
RSB-1	NOx	0.2538	lb/mlb steam	AP-42 (3/02) Table 1.6-2; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	VOC	0.0201	lb/mlb steam	AP-42 (3/02) Table 1.6-3; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	SO2	0.0288	lb/mlb steam	AP-42 (3/02) Table 1.6-2; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	PM	0.066	lb/mlb steam	AP-42 (3/02) Table 1.6-1; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	PM10	0.0958	lb/mlb steam	AP-42 (3/02) Table 1.6-1; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	CO	0.69	lb/mlb steam	AP-42 (3/02) Table 1.6-2; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	Pb	5.54E-5	lb/mlb steam	AP-42 (3/02) Table 1.6-4; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	HAP (total)	4.4E-2	lb/mlb steam	AP-42 (3/02) Tables 1.6-3 and 1.6-4; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr); sum of 35 HAPs emitted (Table 4-2)
RSB-2	NOx	0.2538	lb/mlb steam	AP-42 (3/02) Table 1.6-2; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	VOC	0.0201	lb/mlb steam	AP-42 (3/02) Table 1.6-3; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	SO2	0.0288	lb/mlb steam	AP-42 (3/02) Table 1.6-2; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	PM	0.066	lb/mlb steam	AP-42 (3/02) Table 1.6-1; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	PM10	0.0958	lb/mlb steam	AP-42 (3/02) Table 1.6-1; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)

EU ID #	Pollutant	EF	Units	Reference (Source of Emission Factor)
	CO	0.69	lb/mlb steam	AP-42 (3/02) Table 1.6-2; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	Pb	5.54E-5	lb/mlb steam	AP-42 (3/02) Table 1.6-4; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr)
	HAP (total)	4.4E-2	lb/mlb steam	AP-42 (3/02) Tables 1.6-3 and 1.6-4; converted from mmbtu to mlb steam basis by multiplying by 1.1538 (ratio of 150 mmbtu/hr & 130 mlb steam/hr); sum of 35 HAPs emitted (Table 4-2)
CC-1	PM	0.50	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1
	PM10	0.250	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1; assumes PM10 = 50% PM for medium efficiency cyclone
CC-2	PM	0.50	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1
	PM10	0.250	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1; assumes PM10 = 50% PM for medium efficiency cyclone
CC-3	PM	0.50	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1
	PM10	0.250	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1; assumes PM10 = 50% PM for medium efficiency cyclone
CC-4	PM	0.50	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1
	PM10	0.250	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1; assumes PM10 = 50% PM for medium efficiency cyclone
CC-5	PM	0.50	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1
	PM10	0.250	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1; assumes PM10 = 50% PM for medium efficiency cyclone
CC-6	PM	0.50	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1

EU ID #	Pollutant	EF	Units	Reference (Source of Emission Factor)
	PM10	0.250	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1; assumes PM10 = 50% PM for medium efficiency cyclone
CC-7	PM	0.50	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1
	PM10	0.250	lb/dry ton	Oregon DEQ Permitting & Inspection Manual (11/15/93) page VII.E.1-1; assumes PM10 = 50% PM for medium efficiency cyclone
DP	NOx	7.44	lb/hr	AP42 (10/96) Table 3.3-1; converted from hp-hr to hr basis by multiplying 0.031 by 240 hp (size of engine)
	VOC	0.602	lb/hr	AP42 (10/96) Table 3.3-1; converted from hp-hr to hr basis by multiplying 0.00251 by 240 hp (size of engine)
	SO2	0.492	lb/hr	AP42 (10/96) Table 3.3-1; converted from hp-hr to hr basis by multiplying 0.00205 by 240 hp (size of engine)
	PM	0.528	lb/hr	AP42 (10/96) Table 3.3-1; converted from hp-hr to hr basis by multiplying by 240 hp (size of engine); all PM is assumed to be less than 1 micron
	PM10	0.528	lb/hr	AP42 (10/96) Table 3.3-1; converted from hp-hr to hr basis by multiplying by 240 hp (size of engine)
	CO	1.603	lb/hr	AP42 (10/96) Table 3.3-1; converted from hp-hr to hr basis by multiplying by 240 hp (size of engine)
	HAP (total)	1.07E-2	lb/hr	AP42 (10/96) Table 3.3-1; converted from hp-hr to hr basis by multiplying by 240 hp (size of engine); sum of 9 HAPs emitted (Table 4-2)
MH	PM	Calc-ulated	lb/ton	AP42 (1/95) Section 13.2.4, Equation (1); apply to each process
	PM10	Calc-ulated	lb/ton	AP42 (1/95) Section 13.2.4, Equation (1); apply to each process
DB	PM (fir)	0.0904	lb/mbf	FIRE 6.23 (AP42, 1985); converted from ton log to mbf log basis by multiplying by 4.108 (fir log density from Log Scaling & Timber Cruising, Oregon State University, 1986; assume PM10 = 50% PM

EU ID #	Pollutant	EF	Units	Reference (Source of Emission Factor)
	PM10 (fir)	0.0452	lb/mbf	FIRE 6.23 (AP42, 1985); converted from ton log to mbf log basis by multiplying by 4.108 (fir log density from Log Scaling & Timber Cruising, Oregon State University, 1986
	PM (pine)	0.1016	lb/mbf	FIRE 6.23 (AP42, 1985); converted from ton log to mbf log basis by multiplying by 4.614 (pine log density from Log Scaling & Timber Cruising, Oregon State University, 1986; assume PM10 = 50% PM
	PM10 (pine)	0.0508	lb/mbf	FIRE 6.23 (AP42, 1985); converted from ton log to mbf log basis by multiplying by 4.614 (pine log density from Log Scaling & Timber Cruising, Oregon State University, 1986
PP-1	PM	0.12	lb/msf (3/8")	AP42 (1/02) Table 10.5-4
	PM10	0.185	lb/msf (3/8")	AP42 (1/02) Table 10.5-4; sum of 85% filterable PM (ODEQ Permitting & Inspection Manual 11/15/93) plus condensible PM
	VOC	0.25	lb/msf (3/8")	AP42 (1/02) Table 10.5-6
	HAP (total)	0.149	lb/msf (3/8")	AP42 (1/02) Table 10.5-6; sum of 6 HAPs emitted (Table 4-2)
PP-2	PM	0.12	lb/msf (3/8")	AP42 (1/02) Table 10.5-4
	PM10	0.185	lb/msf (3/8")	AP42 (1/02) Table 10.5-4; sum of 85% filterable PM (ODEQ Permitting & Inspection Manual 11/15/93) plus condensible PM
	VOC	0.25	lb/msf (3/8")	AP42 (1/02) Table 10.5-6
	HAP (total)	0.149	lb/msf (3/8")	AP42 (1/02) Table 10.5-6; sum of 6 HAPs emitted (Table 4-2)
VT	VOC	0.072	lb/msf (3/8")	AP42 (1/02) Table 10.5-7
	HAP (total)	0.01175	lb/msf (3/8")	AP42 (1/02) Table 10.5-7; sum of 4 HAPs emitted
LV	VOC	0.012	lb/msf (3/8")	AP42 (1/02) Table 10.5-7; sum of 2 HAPs due to no VOC data
	HAP (total)	0.012	lb/msf (3/8")	AP42 (1/02) Table 10.5-7; sum of 2 HAPs emitted (Table 4-2)
VD-1	PM	0.0263	lb/msf (3/8")	AP42 (1/02) Table 10.5-1; sum of heating & cooling sections; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system

EU ID #	Pollutant	EF	Units	Reference (Source of Emission Factor)
	PM10	0.1013	lb/msf (3/8")	AP42 (1/02) Table 10.5-1; sum of 100% filterable PM (ODEQ Permitting & Inspection Manual 11/15/93) plus condensible PM; sum of heating & cooling sections; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system
	CO	0.0053	lb/msf (3/8")	AP42 (1/02) Table 10.5-3; sum of heating & cooling sections; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system
	VOC	0.1391	lb/msf (3/8")	AP42 (1/02) Table 10.5-3; sum of heating & cooling sections; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system
	HAP (total)	0.0080	lb/msf (3/8")	AP42 (1/02) Table 10.5-3; sum of heating & cooling sections; sum of 11 HAPs emitted; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system
VD-2	PM	0.0263	lb/msf (3/8")	AP42 (1/02) Table 10.5-1; sum of heating & cooling sections; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system
	PM10	0.1013	lb/msf (3/8")	AP42 (1/02) Table 10.5-1; sum of 100% filterable PM (ODEQ Permitting & Inspection Manual 11/15/93) plus condensible PM; sum of heating & cooling sections; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system
	CO	0.0053	lb/msf (3/8")	AP42 (1/02) Table 10.5-3; sum of heating & cooling sections; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system
	VOC	0.1391	lb/msf (3/8")	AP42 (1/02) Table 10.5-3; sum of heating & cooling sections; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system
	HAP (total)	0.0080	lb/msf (3/8")	AP42 (1/02) Table 10.5-3; sum of heating & cooling sections; sum of 11 HAPs emitted; assume 92.5% reduction for boiler, multiclone, scrubber pollution control system

EU ID #	Pollutant	EF	Units	Reference (Source of Emission Factor)
DK	PM	0.02	Lb/mbf	Oregon DEQ Permit Application Guidance AQ-EF02 (4/25/00); based on OSU study for Douglas Fir
	PM10	0.02	Lb/mbf	Oregon DEQ Permit Application Guidance AQ-EF02 (4/25/00); based on OSU study for Douglas Fir; assume PM10 = 100% PM
	VOC	0.5	lb/mbf	Oregon DEQ Permit Application Guidance AQ-EF02 (4/25/00); based on NCASI study for Douglas Fir; reported as carbon
	HAP (total)	0.005	lb/mbf	OAPCA emission factor; assumes 1% of VOC (Table 4-2)
MP	PM	Calc-ulated	lb/ton	AP42 (1/95) Section13.2.4, Equation (1)
	PM10	Calc-ulated	lb/ton	AP42 (1/95) Section13.2.4, Equation (1)
LY	PM	760	lb/(acre-yr)	AP42 (10/98) Section 11.9, Equation (1); converted to lb from tons by multiplying by 2000
	PM10	380	lb/(acre-yr)	AP42 (10/98) Section 11.9, Equation (1); converted to lb from tons by multiplying by 2000; assume PM10 = 50% PM
PR	PM	Calc-ulated	lb/vmt	AP42 (10/02) Section 13.2.1, Equation (2)
	PM10	Calc-ulated	lb/vmt	AP42 (10/02) Section 13.2.1, Equation (2)
UR	PM	Calc-ulated	lb/vmt	AP42 (9/98) Section 13.2.2, Equation (2); includes unpaved roads and log yard traffic
	PM10	Calc-ulated	lb/vmt	AP42 (9/98) Section 13.2.2, Equation (2); includes unpaved roads and log yard traffic

Table 4-2 Emission Factors for Individual Hazardous Air Pollutants (HAPs)[2]

EU ID #	Pollutant	EF	Units
RSB-1, RSB-2	Acetaldehyde	9.6E-004	lb/mlb steam
	Acetophenone	3.7E-009	
	Acrolein	4.6E-003	
	Benzene	4.8E-003	
	bis(2-Ethylhexyl)phthalate	5.4E-008	
	Carbon tetrachloride	5.2E-005	
	Chlorine	9.1E-004	
	Chlorobenzene	3.8E-005	
	Chloroform	3.2E-005	
	2,4-Dinitrophenol	2.1E-007	
	Ethylbenzene	3.6E-005	
	Formaldehyde	5.1E-003	
	Hydrogen chloride	2.2E-002	
	Naphthalene	1.1E-004	
	4-Nitrophenol	1.3E-007	
	Pentachlorophenol	5.9E-008	
	Phenol	5.9E-005	
	Propionaldehyde	7.0E-005	
	Styrene	2.2E-003	
	2,3,7,8-Tetrachlorodibenzo-p-dioxins	9.9E-012	
	Toluene	1.1E-003	
	2,4,6-Trichlorophenol	2.5E-008	
	Vinyl Chloride	2.1E-005	
	o-Xylene	2.9E-005	
	Antimony	9.1E-006	
	Arsenic	2.5E-005	
	Beryllium	1.3E-006	
	Cadmium	4.7E-006	
	Chromium, total	2.4E-005	
	Cobalt	7.5E-006	
	Lead	5.5E-005	
	Manganese	1.8E-003	
	Mercury	4.0E-006	
	Nickel	3.8E-005	
	Selenium	3.2E-006	

[2]Values shown are uncontrolled. Note that it is also possible that this facility may emit other HAPs that have not yet been identified and for which emission factors have not yet been developed.

EU ID #	Pollutant	EF	Units
DP	Acetaldehyde Acrolein Benzene 1, 3-Butadiene Formaldehyde Naphthalene Propylene Toluene Xylenes	1.29E-003 1.56E-004 1.57E-003 6.58E-005 1.98E-003 1.43E-004 4.34E-003 6.86E-004 4.80E-004	lb/hr
PP-1, PP-2	Acetaldehyde Formaldehyde Methanol Methyl ethyl ketone Methyl isobutyl ketone Phenol	0.0042 0.0019 0.14 0.00087 0.00071 0.0014	lb/msf (3/8")
VT	Acetaldehyde Formaldehyde Methanol Phenol	0.00081 0.00034 0.0087 0.0019	lb/msf (3/8")
LV	Acetaldehyde Methanol	0.0047 0.0073	lb/msf (3/8")
VD-1, VD-2	Acetaldehyde Acrolein Benzene Formaldehyde Methanol Methyl isobutyl ketone m,p-Xylenes Phenol Proprionaldehyde Toluene o-Xylenes	0.017 0.0013 0.00059 0.0153 0.049 0.0069 0.00165 0.0096 0.0024 0.0011 0.0014	lb/msf (3/8")
DK	Phenol	0.004	lb/mbf

Table 4-3 Operational Parameters (OP) for Use in Emission Inventories

EU ID #	Pollutant	Operational Parameter (OP)	OP Units
RSB-1	NOx	steam produced by boiler	mlb/yr
	VOC	steam produced by boiler	mlb/yr
	SO2	steam produced by boiler	mlb/yr
	PM	steam produced by boiler	mlb/yr

EU ID #	Pollutant	Operational Parameter (OP)	OP Units
	PM10	steam produced by boiler	mlb/yr
	CO	steam produced by boiler	mlb/yr
	Pb	steam produced by boiler	mlb/yr
	HAP	steam produced by boiler	mlb/yr
RSB-2	NOx	steam produced by boiler	mlb/yr
	VOC	steam produced by boiler	mlb/yr
	SO2	steam produced by boiler	mlb/yr
	PM	steam produced by boiler	mlb/yr
	PM10	steam produced by boiler	mlb/yr
	CO	steam produced by boiler	mlb/yr
	Pb	steam produced by boiler	mlb/yr
	HAP	steam produced by boiler	mlb/yr
CC-1	PM	material mass passed through cyclone	dry tons/yr
	PM10	material mass passed through cyclone	dry tons/yr
CC-2	PM	material mass passed through cyclone	dry tons/yr
	PM10	material mass passed through cyclone	dry tons/yr
CC-3	PM	material mass passed through cyclone	dry tons/yr
	PM10	material mass passed through cyclone	dry tons/yr
CC-4	PM	material mass passed through cyclone	dry tons/yr
	PM10	material mass passed through cyclone	dry tons/yr
CC-5	PM	material mass passed through cyclone	dry tons/yr
	PM10	material mass passed through cyclone	dry tons/yr
CC-6	PM	material mass passed through cyclone	dry tons/yr
	PM10	material mass passed through cyclone	dry tons/yr
CC-7	PM	material mass passed through cyclone	dry tons/yr
	PM10	material mass passed through cyclone	dry tons/yr
DP	NOx	engine operating hours	hr/yr
	VOC	engine operating hours	hr/yr
	SO2	engine operating hours	hr/yr

EU ID #	Pollutant	Operational Parameter (OP)	OP Units
	PM	engine operating hours	hr/yr
	PM10	engine operating hours	hr/yr
	CO	engine operating hours	hr/yr
	HAP	engine operating hours	hr/yr
MH	PM	material mass handled for each process	tons/yr
	PM10	material mass handled for each process	tons/yr
DB	PM	log volume debarked in each debarker	mbf/yr
	PM10	log volume debarked in each debarker	mbf/yr
PP-1	PM	plywood volume pressed	msf/yr (3/8" basis)
	PM10	plywood volume pressed	msf/yr (3/8" basis)
	VOC	plywood volume pressed	msf/yr (3/8" basis)
	HAP	plywood volume pressed	msf/yr (3/8" basis)
PP-2	PM	plywood volume pressed	msf/yr (3/8" basis)
	PM10	plywood volume pressed	msf/yr (3/8" basis)
	VOC	plywood volume pressed	msf/yr (3/8" basis)
	HAP	plywood volume pressed	msf/yr (3/8" basis)
VT	PM	dry veneer volume produced	msf/yr (3/8" basis)
	PM10	dry veneer volume produced	msf/yr (3/8" basis)
LV	VOC	green veneer volume produced	msf/yr (3/8" basis)
	HAP	green veneer volume produced	msf/yr (3/8" basis)
VD-1	PM	veneer volume dried	msf/yr (3/8" basis)
	PM10	veneer volume dried	msf/yr (3/8" basis)
	CO	veneer volume dried	msf/yr (3/8" basis)
	VOC	veneer volume dried	msf/yr (3/8" basis)
	HAP	veneer volume dried	msf/yr (3/8" basis)
VD-2	PM	veneer volume dried	msf/yr (3/8" basis)
	PM10	veneer volume dried	msf/yr (3/8" basis)
	CO	veneer volume dried	msf/yr (3/8" basis)
	VOC	veneer volume dried	msf/yr (3/8" basis)

EU ID #	Pollutant	Operational Parameter (OP)	OP Units
	HAP	veneer volume dried	msf/yr (3/8" basis)
DK	VOC	lumber volume dried	mbf/yr
	HAP	lumber volume dried	mbf/yr
MP	PM	material mass placed on pile	tons/yr
	PM10	material mass placed on pile	tons/yr
LY	PM	exposed log yard acreage	acres
	PM10	exposed log yard acreage	acres
PR	PM	vehicle miles traveled per vehicle	VMT/yr
	PM10	vehicle miles traveled per vehicle	VMT/yr
UR	PM	vehicle miles traveled per vehicle	VMT/yr
	PM10	vehicle miles traveled per vehicle	VMT/yr

4.3 Potential to Emit (PTE) for CIPV

As described above, CIPV's potential to emit (PTE) air pollutants is based on information in their original application (and in several revised submittals) and on EPA review of CIPV's emission inventories. CIPV's PTE is presented below in Table 4-4 and reflects the emission factors presented in Tables 4-1 and 4-2. PTE means the maximum capacity of CIPV to emit any air pollutant (criteria or HAPs) under its physical and operational design. Any physical or operational limitation on the maximum capacity of CIPV to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, may be treated as part of its design if the limitation or the effect it would have on emissions is enforceable by EPA. PTE is meant to be a worst case emissions calculation and is used in many, though not all, cases to determine the applicability of federal requirements. Actual emissions may be much lower than PTE. For example, all of the emission estimates in Table 4-4 are based on 24-hours per day operation of the facility whereas the CIPV facility does not normally operate 24 hours per day. The only exception to that is the fire water pump (DP), which is only operated when needed for a fire or during periodic testing, much less than 500 hours per year. Consistent with EPA policy, the fire water pump PTE was estimated assuming 500 hours of operation (Seitz, Calculating Potential to Emit (PTE) for Emergency Generators, September 6, 1995).

Table 4-4 Facility Potential to Emit for PSD , Title V, and MACT in Tons Per Year

EU ID #	Air Pollutants N0x - oxides of nitrogen; VOC - volatile organic compounds; SO2 - sulfur dioxide; PM - particulate matter; PM10 - particulate matter with diameter 10 microns or less; CO - carbon monoxide; Pb - lead; HAP - hazardous air pollutants [see Clean Air Act, Section 112(b)]							
	NOx	**VOC**	**SO2**	**PM**	**PM10**	**CO**	**Pb**	**HAP**
RSB-1	145	11	16	38	55	393	<1	25
RSB-2	145	11	16	38	55	393	<1	25
CC-1				44	22			
CC-2				66	33			
CC-3				44	22			
CC-4				44	22			
CC-5				44	22			
CC-6				44	22			
CC-7				44	22			
DP	2	<1	<1	<1	<1	<1	<1	<1
PP-1		35		17	26			21
PP-2		11		5	8			6
VT		13						2
LV		2						2
VD-1		10		2	7	<1		<1
VD-2		10		2	7	<1		<1
DK		2		<1	<1			
TOTAL	291	105	33	429	322	787	<1	83

4.4 Fee Payments Based on Actual Annual Emissions

CIPV is required to pay fees annually based on an emissions inventory of its actual emissions for the preceding calendar year (See permit terms IX and X). As discussed above, EPA has documented methods, techniques, and assumptions that EPA believes provide the most accurate basis for estimating emissions from the facility, including actual emissions for fee purposes. The techniques in Section 4.2 above should be used to calculate annual emissions for fee purposes, unless CIPV has other information showing why another technique more accurately represents its emissions.

EPA notes that CIPV has an ongoing obligation to assure that all data in its application is

correct and to notify EPA of any errors or omissions (See permit term IX.A.2). Moreover, CIPV is required to certify to the accuracy and completeness of all data submitted to EPA, including the accuracy of its annual emission inventory for fee purposes.

5 Applicable Requirements Analysis

A facility, or source, located in Indian Country may be subject to federal or tribal air quality regulations, but generally is not subject to state air quality regulations. The Colville Tribes have enacted an "Interim Control Ordinance to Regulate the Construction/Operation of Air Emission Sources at the Colville Indian Veneer Plant" and have issued a Construction Permit to CIPV under the Interim Control Ordinance. The Colville Tribes have not, however, gone through the process of obtaining authorization to be treated in the same manner as States under 40 CFR §§ 49.6 and 49.7 (the Tribal Authority Rule) and obtaining approval of air quality regulations as a "Tribal Implementation Plan." Therefore, the Interim Control Ordinance and the Construction Permit are not federally enforceable, do not meet the definition of "applicable requirement" under 40 CFR Part 71, and are not included in CIPV's Part 71 permit. EPA encourages and will work closely with all tribes wishing to develop Tribal Implementation Plans for approval under the Tribal Authority Rule.

EPA recognizes that, in some cases, sources of air pollution located in Indian Country are subject to fewer requirements than similar sources located on land under the jurisdiction of a state or local air pollution control agency. To address this regulatory gap, EPA is in the process of developing national regulatory programs for preconstruction review of major sources in nonattainment areas and of minor sources in both attainment and nonattainment areas. These programs will establish, where appropriate, control requirements for sources that will be incorporated into Part 71 permits. To establish additional applicable, federally-enforceable emission limits, EPA Region 10, in consultation with Tribes and other stakeholders, has proposed a Federal Implementation Plan (FIP) that will establish federal requirements for sources in Indian Country within Region 10. See 67 Federal Register 51802 (August 9, 2002); 67 Federal Register 11748 (March 15, 2002). EPA hopes to take final action on the proposal within the next year. EPA intends that its federal regulations created through a FIP will apply only in those situations in which a tribe does not have an approved Tribal Implementation Plan

5.1 Applicable Requirements: Based on the information provided by the source in their application and EPA's analysis of that information, CIPV is subject to the following requirements (see section II and IV of the permit) for the reasons explained:

5.1.1 Chemical Accident Prevention Program - 40 CFR Part 68: The Chemical Accident Prevention Program requires sources who use or store regulated substances above a certain threshold to develop plans to prevent accidental releases. Based on information in their application, CIPV has no regulated substances above the threshold quantities in this rule and therefore is not currently subject to the requirement to develop and submit a risk management plan. However, this requirement is included in the permit as an applicable

requirement because CIPV has an ongoing responsibility to submit a risk management plan IF a substance is listed that CIPV has in quantities over the threshold amount or IF CIPV ever increases the amount of any regulated substance above the threshold quantity. Including this term in the permit minimizes the need to reopen the permit if CIPV becomes subject to the requirement to submit a risk management plan.

5.1.2 Stratospheric Ozone and Climate Protection - 40 CFR Part 82: The stratospheric ozone and climate protection program requires sources that handle regulated materials to meet certain procedural and certification requirements. Based on information in their application, CIPV has equipment that use or contain chlorofluorocarbons (CFCs) and other materials regulated under this program. All air conditioning and refrigeration units must be maintained by certified individuals, and according to their application, CIPV uses certified contractors.

5.1.3 NESHAP - 40 CFR Part 61, Subpart M - Demolition or Renovation Activity: The asbestos demolition and renovation program requires sources that handle asbestos-containing materials to follow specific procedures. Based on information in their application, CIPV has at least one area with asbestos-containing materials: the old boiler house. This area has been discontinued from normal use and production operations pending further cleanup operations. CIPV is not currently engaged in the activities regulated under this provision; however, IF CIPV conducts any demolition or renovation activity, they must assure that the project is in compliance with the federal rules governing asbestos including the requirement to conduct an inspection for the presence of asbestos. This requirement is in the permit to address any demolition or renovation activity at the facility.

5.1.4 Prevention of Significant Deterioration (PSD): PSD requires major new or modified sources, built after 1978, to go through a rigorous pre-construction review and approval process. CIPV is a "major" source for PSD purposes because its potential to emit one or more pollutants is greater than 250 tons per year (see Table 4-4); however, the facility was built before the 1978 applicability date for PSD. Because CIPV is an existing "major" PSD source, it will become subject to PSD permit requirements if any physical change or change in the method of operation of the facility increases the actual emissions, as defined in 40 C.F.R. 52.21, of any pollutant greater than the significant levels given below.

The PSD SER values (tons per year) for each PSD pollutant are as follows: Particulate Matter (PM) 25; Fine Particulate (PM10) 15; Sulfur Dioxide (SO_2) 40; Nitrogen Oxide (NOx) 40; Volatile Organic Compounds (VOC) 40; Carbon Monoxide (CO) 100; Lead 0.6; Fluorides 3; Sulfuric Acid Mist 7; Hydrogen Sulfide (H_2S) 10; Total Reduced Sulfur Compounds (TRS) - including H_2S 10; Municipal Waste Combustor (MWC) acid gases 40; MWC metals 15; MWC organics 3.5 X 10^{-6}; Municipal Solid Waste Landfills - Non-Methane Organic Compounds 50; and, Chlorofluorocarbons (CFCs) and Halons (any emission rate).

As discussed in section 3.4, the addition of a new dryer in 1996 was subject to PSD. The

addition of the two new indirectly-heated dryers (VD-1 and VD-2) would have also been subject to PSD if the potential to emit of the new dryers were not limited to less than the SER thresholds. The emission limits and required control system in this permit, explained in 5.1.5 below, limits emissions from the new dryers below the SER thresholds so the facility is not subject to PSD. Aside from these two projects, EPA has not received sufficient information to conclude PSD applicability for other changes that may have occurred at the facility, so no enforcement or permit shield is implied or granted.

5.1.5 Owner-Requested Emission Limits for New Veneer Dryers (VD-1 and VD-2): As explained in sections 3.4 and 5.1.4, CIPV proposed emission limits for the new dryers in order to avoid PSD permitting requirements. Section III of the permit contains the emission and operational limits, as well as the testing, monitoring, record keeping and reporting requirements that will ensure the dryers are in compliance. This section explains those requirements.

5.1.5.1 Emission and operational limits: The veneer dryer emission limits that are established by the permit are based on general emission factors for veneer dryers combined with assumptions about the expected control efficiency of the control system. The veneer dryer emissions are controlled by routing the veneer dryer emissions through the conbustion chambers of the hogged-fuel boilers. Each boiler exhaust is controlled by a multiclone followed by a wet scrubber. The veneer dryer emission control system is therefore considered to be the entire boiler-mutliclone-wet scrubber system. Testing of the previously installed direct-fired veneer dryers documented an emission reductions of approximately 95% in PM and VOC emissions, using the same control system. The emission limits proposed by the permittee assume only 92.5% control (reduction) of PM, PM10 and VOC. Emission testing, required by the permit, will verify whether the control system is as efficient as assumed. The limits are as follows:

Pollutant	**Daily Emission Limit (lb/day)**	**Annual Emission Limit (tons/year)**
PM	20.8	3.8
PM10 (including condensible PM10)	79.5	14.5
VOC (as THC minus methane[1] plus methanol[2] & formaldehyde[3])	109	19.9

It is important to note that the emission limits apply to the new dryers that vent through the boilers, but do not apply to the boilers when the dryers are not operating. As explained below, there are no applicable requirements that apply to the boilers by themselves. It is also important to note that the emission limits in the permit are

different from those proposed by the permittee. The predicted emissions were modified by EPA to better reflect the emission factors that are available, resulting in the PM emission limit to be reduced and the PM10 emission limit to be raised, but remain under the threshold for PSD applicability. Se section 4 above for more details on the changes to the emission inventory.

In order to measure the emission increase caused by the dryers, testing of the boilers with and without dryer emissions will be performed. Because the permittee requested the ability to route veneer dryer emissions to either one boiler or both boilers, emission testing is also required for either configuration. The measured boiler emissions (without the dryers venting to the boilers) will form a baseline which will be subtracted from the emissions measured while the dryers vent to the boilers to determine the contribution caused by the veneer dryers. Emission factors (lb/msf of veneer dried) will be developed by dividing the veneer dryer contribution (lb/hr emission rate) by the veneer dryer production rate during the test (msf/hr dried). This emission factor is in turn used to calculate daily and annual emissions based on daily and annual production. The annual emission limit is a 12 month rolling average which will be recalculated each month (for the preceding 12 months).

In order to ensure compliance with the emission limits, the permit requires all of the dryer emissions to vent through the boilers' combustion chambers, multiclones and wet scrubbers at all times and while the boilers, multiclones and wet scrubbers are operational. The dryer emissions are mainly composed of organic volatiles (VOC) and organic particulates (PM and PM-10) along with a minor amount of inorganics (PM and PM-10) as well as some HAP in the form of either volatiles or particulates, mostly organic in nature. The organics (including the HAPs) are expected to be destroyed in the combustion chambers or removed by the multiclones and wet scrubbers, consistent with the assumed control efficiency. The permit has been structured to allow venting the dryer emissions to one boiler or both boilers.

The permit requires emission testing to verify compliance with the emission limits and list the test methods that must be employed. The permit also establishes other operating restrictions which are derived from the emission tests and will help ensure that the facility is meeting the emission limits. Boiler exhaust oxygen, temperature and opacity is limited to ensure good boiler operation and good organics destruction. The temperature and oxygen levels in the boiler exhaust will be limited to the lowest values measured during the emission tests. Lower temperature and oxygen values may indicate less efficient combustion efficiency and therefore higher emissions. The opacity is restricted to 5% above the average opacity measured during the emission tests, allowing for variability which exists in the opacity measurement technique and minor swings in system performance. Opacity can be a good indicator of boiler, multiclone and wet scrubber performance and is related to particulate emissions levels. Wet scrubber pressure drop is restricted to the lowest levels recorded during the emission testing to ensure good operation and control of particulates that pass through the boiler combustion chamber and multiclone. The permit also restricts the dryer operating rates to those achieved during emission

testing, because it has not been demonstrated that the boilers can adequately destroy the emissions from the dryer at higher operation rates.

The permittee is required to record other parameters during the emission tests to establish a baseline for good operation. They include such things as hogged fuel moisture and ash content (which can affect the combustion efficiency and amount of PM and PM10 emissions from the boilers), veneer re-dry rates and specie of wood being dried (which reflects actual operating conditions and emission-generation rate during emission testing), and visual observations of gas leakage from the veneer drying system. This information is particularly valuable if future non-compliance problems must be evaluated. Subsequent to the emission tests, the permit will be reopened to incorporate certain operational restrictions that are based on the emission testing; however, the permittee must operate in accordance with the restrictions established through emission testing within 10 days after the testing is completed.

The permit requires ongoing monitoring and recordkeeping to ensure that the equipment continues to be operated and maintained as it was during emission tests that demonstrate compliance with the emission limits. In addition to the parameters that will be monitored during the emission tests, other monitoring and recordkeeping will be required. Grate cleaning in the boiler combustion chambers, which can cause significant short-term particulate emission increases, will be recorded to assist in the evaluation of possible opacity problems. The multiclone pressure drop, an indicator of performance and equipment condition, will be monitored and recorded. Use of the veneer dryer control system bypass, which is manually controlled, must be recorded. The entire veneer dryer system, including the dryers themselves and the control system, must be inspected for integrity to ensure emissions are not escaping the system uncontrolled.

All of the equipment that will be used to accomplish the monitoring must be kept in good operational condition. The permit specifies how to determine compliance with the emission limits by establishing emission factors from the emission test data based on the production rates during the tests. The emission factors are then multiplied by the actual dryer production rates (on a daily and monthly basis) to derive emission rates that can be compared against the limits in the permit to determine whether the facility is in compliance with the emission limits.

There is currently a continuous emission monitoring system (COMS) on each boiler exhaust, upstream of the wet scrubbers, that continuously monitor and record the opacity. Due to their upstream location, the COMS do not necessarily reflect what is being emitted from the stack after the gases have passed through the wet scrubbers. The permit requires opacity to be read using Reference Method 9 (RM 9), after it leave the stack, rather than relying on the COMS, because the RM 9 readings are expected to more closely relate to actual emissions from the stack. The information recorded by the COMS during the emission tests will be reviewed to determine whether it can be useful in predicting boiler performance. If the COMS data is determined to be useful, the permit may be modified to require the use of the COMS

data for ongoing compliance monitoring.

5.2 Non-applicable Requirements: Based on the information provided by the source in their application and by EPA's analysis, CIPV is not subject to the following requirements for the reasons explained.

5.2.1 NSPS - 40 CFR Part 60, Subpart Db - Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units: This New Source Performance Standard applies to boilers with an heat input capacity larger than 100 mmBtu/hr and built, modified or reconstructed after June, 1984. The two wood-waste fired boilers are larger enough to be subject to this NSPS, but were constructed in 1974 and 1975, before the applicability cutoff date. CIPV asserts that no known modification or reconstruction of the boilers occurred after June, 1984, as those terms are defined in 40 CFR Part 60.2. Based on this information (i.e., that the subject boilers were built before the applicability date and were not modified or reconstructed after the applicability date), the boilers do not appear to be subject to this NSPS.

5.2.2 Compliance Assurance Monitoring Rule (CAM) - 40 CFR Part 64: CAM applies to emission units subject to an emission limit and with a pre-control potential to emit greater than the major source threshold defined in Part 71. However, only units with post control potential to emit greater than the major source thresholds must comply with CAM at initial permit issuance. All other units that meet the CAM applicability criteria must be in compliance at permit renewal and may also be required to submit a CAM plan if a significant change is made to the unit prior to renewal. Only the dryer emissions are limited and controlled; but the post-control emissions are not greater than the major source threshold. The dryers will be subject to CAM at permit renewal. None of the other emission units with post control potential to emit pollutants greater than the major source threshold are subject to an emission limit and they are therefore not subject to CAM at this time.

5.2.3 NESHAP - 40 CFR Part 63, Subpart DDDDD - National Emission Standards for Hazardous Air Pollutants (HAP) from Industrial, Commercial and Institutional Boilers and Process Heaters: This standard was proposed on January 13, 2003 (68FR6060) and is not expected to be finalized until 2004. As proposed, the CIPV boilers will be subject to this rule if the facility is a major facility for HAPs on the future effective date of the rule - that is if the facility has the potential to emit more than 10 tpy of any one HAP or more than 25 tpy as an aggregate of all HAPs. CIPV's November, 2002, application indicated that the facility will be major for HAPs because they have the potential to emit more than 25 tons per year of HAPs. If applicable, CIPV's permit will be reopened to add the new requirement within 18 months after the effective date of the rule if there are more than 3 years remaining before permit expiration.

5.2.4 NESHAP - 40 CFR Part 63, Subpart DDDD - National Emission Standards for Hazardous Air Pollutants (HAP) from Plywood and Composite Wood Products: This standard was proposed on January 9, 2003 (68FR1276) and is not expected to be finalized until 2004. As proposed, the CIPV veneer and plywood operations will be

subject to this rule if the facility is a major facility for HAPs on the future effective date of the rule - that is the facility has the potential to emit more than 10 tpy of any one HAP or more than 25 tpy as an aggregate of all HAPs. CIPV's November, 2002, application indicated that the facility will be major for HAPs because they have the potential to emit more than 25 tons per year of HAP. If applicable, CIPV's permit will be reopened to add the new requirement within 18 months after the effective date of the rule if there are more than 3 years remaining before permit expiration.

5.2.5 NESHAP - 40 CFR Part 63, Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants (HAP) from Reciprocating Internal Combustion Engines: This standard was proposed on December 19, 2002 (67FR77829) and is not expected to be finalized until 2004. The rule will apply to engines that are 500 horsepower or greater in size. As proposed, the CIPV fire-water pump (IC engine) will not be subject to this rule because it is only 240 hp in size.

5.2.6 Endangered Species Act (ESA) Impacts: Under Section 7 of the ESA, 16 U.S.C. § 1531 et seq., EPA is obligated to consider the impact that a project may have on listed species or critical habitats. Based on the design (the new dryers do not produce a water discharge themselves) and low levels of air emissions that the new dryers will cause, combined with the fact that three existing, higher polluting dryers have been removed from operation, it is EPA's conclusion that the issuance of this Title V permit for CIPV, which allows the construction of the two new dryers, will not affect a listed specie or critical habitat. Therefore, no additional requirements will be added to this permit for ESA reasons. EPA's "no effect" determination concludes EPA's obligations under Section 7 of the ESA. (See Endangered Species Consultation Handbook: Procedures for Conducting Consultation and Conference Activities Under Section 7 of the Endangered Species Act, FWS and NMFS, March 1998, at Figure 1).

6. Use of All Credible Evidence

Determinations of deviations, continuous or intermittent compliance status, or violations of the permit are not limited to the testing or monitoring methods required by the underlying regulations or this permit; other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered by the source and EPA in such determinations. See paragraph VIII.A.3 of the permit.

7. Public Participation

7.1 Public Notice.

As described in 40 CFR 71.11(a)(5), all Part 71 draft operating permits shall be publicly noticed and made available for public comment. The public notice of permit actions and public comment period is described in 40 CFR 71.11(d). There is a 30 day public comment period for actions pertaining to a draft permit.

Public notice was given for this draft permit by mailing a copy of the notice to the permit

applicant, the affected state, the Tribal, city and county executives, and the local emergency planning authorities which have jurisdiction over the area where the source is located. A copy of the notice was also provided to all persons who submitted a written request to be included on the mailing list. Public notice was also published in a daily or weekly newspaper of general circulation in the area affected by this source.

7.2 Opportunity for Comment

A copy of the draft permit prepared by EPA, this statement of basis for the draft permit, the application, and all supporting materials submitted by the source were made available for public review at:

Colville Indian Library
Nespelem, WA 99155
(509) 634-4711 x2791

Omak Public Library
Box J
Omak, WA 98841-0969

Copies of the permit and statement of basis were also made available at no cost on EPA's web site [**www.epa.gov/r10earth/** (once there, click on "Air")]. All documents were made available for review at the EPA Region 10 Office indicated below during regular business hours.

U.S. EPA, Region 10 (OAQ-107)
1200 6th Avenue
Seattle, WA 98101

No comments were received and no requests for public comment were made during the 30 day public comment period which lasted from May 8, 2003, to June 9, 2003.

7.3 Mailing List

If you would like to be added to our mailing list to be informed of future actions on this or other Clean Air Act permits issued in Indian Country, please send your name and address to EPA at the address listed in section 7.2 above.